Cyngor Tref Trallwng | Welshpool Town Council

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Title	Petty Cash & Debit Cards - F&G
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1. **Purpose**
    1. To seek Committee consideration and approval for the phased withdrawal of the Council’s petty cash system and the introduction of pre-paid debit cards for authorised purchasing officers, in order to modernise payment processes, strengthen financial controls, and reduce risk.

2. **Background**
    1. The Council currently operates a petty cash system to facilitate small, low-value operational purchases. While petty cash can provide flexibility, it presents inherent risks and administrative burdens, including:
        1. increased exposure to loss, theft, or error,
        2. weaker audit trails compared to electronic transactions,
        3. increased staff time spent administering and evidencing transactions.
    2. As part of the recent review of the Council’s Financial Regulations, opportunities have been identified to reduce reliance on cash handling and move towards more secure, transparent and auditable purchasing methods.
    3. Pre-paid debit cards are now widely used across the local government sector as a controlled alternative to petty cash, enabling small purchases to be made quickly while retaining full electronic records and oversight.

3. **Advice**
    1. It is proposed that the Council phases out petty cash, retaining a smaller amount (£100) for emergencies and where absolutely neccessary and instead introduces pre-paid debit cards for authorised purchasing officers, to be used for low value-operational purchases where invoicing does not exist or is not appropriate.
    2. Under this approach:
        1. Cards would be issued only to authorised purchasing officers specifically authorised by the Town Clerk
        2. Each card would have a defined spending limit

3. Cards would not permit cash withdrawals
4. All transactions would be visible electronically and supported by receipts.
5. Spending would continue to be reported to Members through the normal financial reporting process along with monthly reconcillaition.

4. Links to Strategic Objectives and Interim Strategic Plan

1. None.

5. Resource & Legal Implications

1. There is no significant direct cost to the Council beyond card administration fees. There are a few providers on the market which offer the facility, including Lloyds Bank which offer 'charge cards'.
2. The proposals are expected to:
    1. reduce administrative time spent on petty cash management, and
    2. lower the risk or loss or misuse of funds.
3. The proposal supports the Council's duties under the Accounts and Audit (Wales) Regulations to maintain effective systems of internal control.

6. Specific Implications

1. **Risk Management -** seeks to mitigate Risk 7 (cash handling).

7. Recommendation

1. To approve the phasing out of petty cash to level set by Financial Regulations; and
2. To authorise the Town Clerk to implement pre-paid debit or spend cards to not exceed the values set by Financial Regulations for authorised purchasing officers.

8. Decision

1. To resolve to adopt the recommendations as above.